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TWO DOLLARS

INTRODUCING A NEW RETAIL SURVEY

ACCESSORY LISTS CAN BOOST SALES

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RV BUSINESS

MAY/16

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RV Stocks' Performance Called 'Spotty'

Six months after the stock market crash of October 1987, the RV industry's public stock portfolios continued to chart a "spotty" course, mirroring the larger trends of a skittish Wall Street.

"In several cases, these (RV) stocks have not rebounded to the levels they enjoyed prior to the correction (crash)," said analyst Robert P. Curran, a Merrill Lynch vice president and securities analyst.

However, Curran suggested that industry decision-makers could take heart from the fact that spring sales have been so strong—despite predictions to the contrary in the aftermath of Black Monday. "There is still a relatively robust retail trade," Curran said. "Whether that will manifest itself in very large-ticket discretionary items remains to be seen. But, on first blush, it seems that some of the real doomsayers, at least so far, have proved to be incorrect."

With the exception of Harley-Davidson Inc., Fleetwood Enterprises Inc. and The Coleman Company, a majority of the eight RV-related stocks tracked by RVB clearly had not rebounded very well between Oct. 19 and mid-April, a period in which most reached 52-week lows.

Particularly slow to recover—for a variety of reasons not all related to stock market trends—were Thor Industries Inc., Vyquest Inc., Winnebago Industries Inc., Coachmen Industries

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MICRO-MINIS: Despite a dismal sales performance last year, some micro-mini manufacturers believe that redesigns and consumer education will help make 1988 a comeback year. See page 22.

Rental Firms Adjust '88 Fleets

ALC Adds 900 Motorhomes in U.S.

American Land Cruisers Inc. (ALC), Miami, Fla., is beefing up its domestic motorhome rental fleet by approximately 900 units above its 1987 total, according to ALC Vice President Robert Smalley Jr.

The RV-rental company's U.S. motorhome fleet will reach about 2,600 units this year, up from 1,700 units last year, said Smalley.

In all, between 1,600 and 1,800 new Class A and Class C motorhomes will be purchased in 1988 for ALC's North American fleet (including Canada), he added. ALC has already pur-

continued on page 10

U-Haul Cuts A's, Adds Class C's

As U-Haul International auctions off its used rental coaches this spring as part of a new five-year truck-fleet rotation program, the Phoenix, Ariz.-based rental giant will also be "dialing back" its Class A motorhome fleet for this summer by 1,200 to 1,500 units, according to U-Haul Public Information Director Al Ladensack.

This year's Class A fleet will total about 3,200 to 3,700 units, down from a peak last summer of 5,200 units, said Ladensack. On the other hand, he noted that U-Haul, which first test-marketed RV rentals in 1983, is add-

continued on page 10

NHTSA Asks 10 Firms to Recall 'A's'

Citing a sharp rise in consumer complaints, as well as recent recalls by two leading RV makers, the National Highway Traffic Safety Administration (NHTSA) is asking 10 more Class A motorhome manufacturers to voluntarily recall or re-examine all 1984-86 motorhomes built on Chevrolet P-30 chassis.

According to a NHTSA spokesman, the results of an engineering analysis of the P-30 chassis and subsequent voluntary recalls of Winnebago and Fleetwood Class A's all indicate that modifications by final-stage manufacturers may lead to fuel-spurting problems and the increased potential for fires in those motorhomes.

Because the fuel-spurting problem is exacerbated by warm weather, NHTSA is urging manufacturers to hasten their evaluations and recalls."

The 10 manufacturers receiving the NHTSA notification are: Travel Craft Inc., Elkhart, Ind.; Holiday Rambler Corp., Wakarusa, Ind.; Honey RVs, Elkhart, Ind.; R&R Custom Coachworks Inc., South El Monte, Calif.; Tiffin Motor Homes Inc., Red Bay, Ala.; Gulf Stream Coach Inc., Nappanee, Ind.; Xplorer Motor Home Division of Frank Industries, Brown City, Mich.; Mobile Traveler Inc., Junction City, Kan.; Coachmen Industries Inc., Elkhart, Ind.; and Hawkins Motor Coach Inc., Ontario, Calif. Δ—

Robert Longsdorf Jr.

MAY 16, 1988 TWO DOLLARS

RV BUSINESS

VOLUME 39, NUMBER 4

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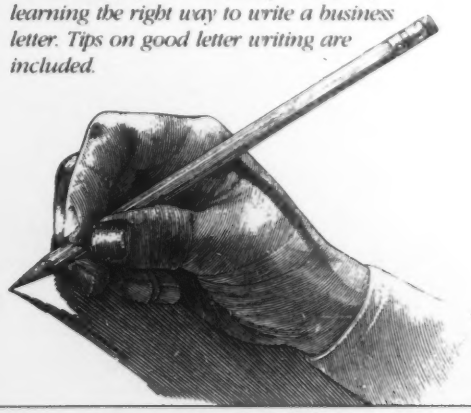

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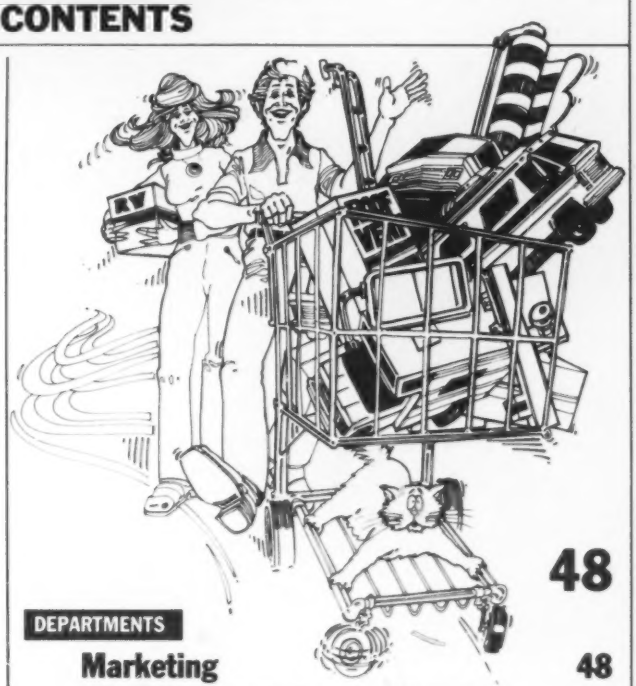

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COVER ILLUSTRATION: FRED SMITH

MARCH SALES CONTINUE MOMENTUM

GAYLORD MAXWELL

Based on the general sales picture reported by RVB's Dealer Advisory Board (DAB) in March, there are strong indications that a good year is in the making for the RV industry. Sales figures for the month strengthened gains made in the two preceding months and pushed first-quarter figures well ahead of the corresponding period in 1987.

DAB members took in more dollars and delivered more units both for March and for the quarter, when compared with the same periods last year. Well over half of the board members were up for the month. Gross profit ratings indicated that dealers were making money on both new and used units. Bottom lines were generally rated as good to excellent, with a few fair ratings. No member of the board reported poor profits for the month, while several reported that they had experienced their best-ever March.

Some service departments boomed, too, as people prepared for summer travel. Nearly every DAB member reported that back-end business was good to excellent.

The picture wasn't 100% rosy, however. Ten board members were down in sales volume this March compared with March of last year, and eight were down for the year-to-date. Sales of towables also were slower than those of motorized RVs. Both travel and folding camping trailers were down for the year-to-date; however, travel trailers managed to squeeze into the plus column in March.

Meanwhile, strong used-unit sales were creating problems for many dealers in March, according to reports. They were running out of merchandise! In fact, well over half the DAB members reported that their used inventories were low—and summer hasn't even begun. As one dealer reported, "We're getting a lot of trades, but it's mostly junk that we still get high prices for."

Motorhomes

Sales of motorhomes were great, and there was no two ways about that in March. Most of the gravy was going to the giant dealers, even though many of the smaller fellows were still managing to hold their own. Class A's are still the "in" motorhome style, but Class C's are making strong headway at some dealerships. Only the short supply keeps the sale of used motorhomes low.

Our DAB members almost unanimously rated profits as good.

Travel Trailers

After two months in the negative column, new trailer sales in March of this year squeezed ahead of those of last March, although, for the year-to-date, sales of new units were slightly behind. Perhaps we have seen the beginning of a turnaround. Used sales were very good, and profits have been good, with a few dealers even calling them excellent.

Truck Campers

New camper sales had been down for the DAB in January and February, but they took off in March. The increase did not wipe out the deficit for the year-to-date, but, since the numbers are small, a few extra sales could make that happen very quickly. Used sales were off by a few units, but they were in the plus column for the year-to-date. Profits were rated excellent by four of the five DAB members who made camper sales.

Folding Camping Trailers

Fold-downs were the "fall guy" in March. Sales were down from the previous year, as they have been every month so far in '88. However, the figures were somewhat misleading in that they did not reflect the general picture. Actually, most of the DAB members who stock this RV type were holding their own with last year. Two large dealers were down dramatically from last year's count, and they brought down the totals. Profit ratings were generally good to fair.

Fifth-wheels

Among the three towable types, fivers alone managed to surge ahead of the previous year in new-unit sales. And used units also had the best record of any type for year-to-date. As the ranks of full-timers grow, apparently so do the sales of fifth-wheels. Profits were mixed, with ratings from excellent to fair. Δ

	NEW UNITS						USED UNITS					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	MARCH 1988	MARCH 1987	% CHANGE	1988	1987	% CHANGE	MARCH 1988	MARCH 1987	% CHANGE	1988	1987	% CHANGE
MOTORHOMES	178	150	+19	443	335	+32	160	143	+12	393	359	+ 9
TRAVEL TRAILERS	129	124	− 4	244	299	− 2	114	105	+ 9	288	248	+16
TRUCK CAMPERS	30	25	+20	54	61	−11	13	19	−32	37	34	− 9
CAMPING TRAILERS	150	166	−10	280	338	−17	44	51	−14	73	90	−19
FIFTH-WHEELS	35	28	+25	93	83	+12	17	14	+21	90	75	+20

	FOR MONTH			YEAR-TO-DATE		
	MARCH 1988	MARCH 1987	% CHANGE	1988	1987	% CHANGE
SALES VOLUME	$15,486,400	$13,280,422	+7	$37,189,429	$31,519,224	+18
TOTAL UNIT SALES	870	825	+6	2,045	1,922	+ 6
NEW-UNIT SALES	522	493	+6	1,164	1,116	+ 4
USED-UNIT SALES	348	332	+5	881	806	+ 9

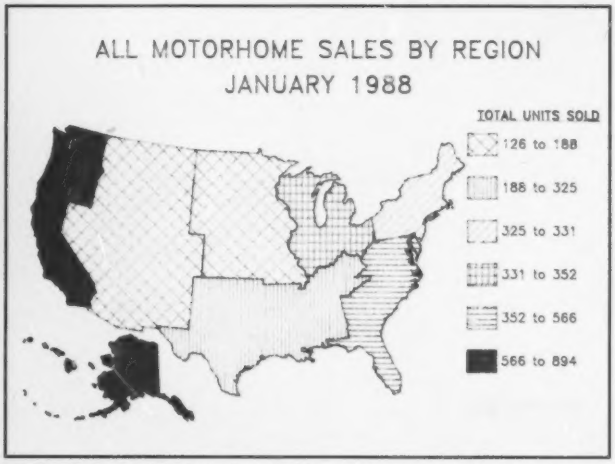
The "DAB Perspective" is a compilation of data provided by *RV Business*' Dealer Advisory Board (DAB), a group comprised of 24 dealers representing a cross section of the U.S. dealer body.

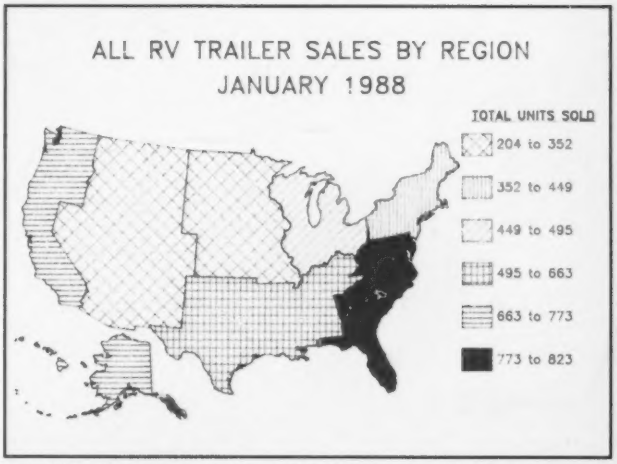
Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Robert Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **Dick Dawson,** Victor, N.Y.; **Bill De Groot,** Junction City, Ore.; **Crosby Forrest,** Newport News, Va.; **Denny Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Dottie Holgerson,** Seattle, Wash.; **Newton Kindlund,** Orlando, Fla.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Autry-Miller,** Fayetteville, N.C.; **Jack Moran,** Warwick, R.I.; **Mike Peay,** Albuquerque, N.M.; **Edward Petersen,** Lafayette, Ind.; **William Pfler,** Warren, Mich.; **Tom Schaeffer,** Shoemakersville, Pa.; **Hal Shipp,** Chattanooga, Tenn.; **Jack Sizemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.; **Larry Washburn,** Lakewood, Colo.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

SPECIAL FACTORS OVERSTATED EARLY '88 SALES DIP

THOMAS WALWORTH





East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota.

Editor's Note: It's said that nothing happens in the RV industry until something happens at the retail level. To help members of the industry better understand the idiosyncracies of the RV retail market, RV Business *is pleased to present the first in a regular series of articles analyzing different aspects of consumer buying patterns throughout the United States.*

The series will be authored by Thomas Walworth, general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

Overall, January was a down month for both RV-trailer and motorhome retail-sales registrations compared with January of last year. But, in evaluating regional and national retail activity, remember that the month of January has been a traditionally slow month for the RV industry.

The majority of Northern markets are covered with snow or frozen by bitter cold. In the Southern markets, the snowbirds have made the majority of their purchases in the late fall in markets outside the South.

This year, we had another factor to plug into the January sales data.

On Dec. 31, 1986, the Internal Revenue Service eliminated the sales tax write-off. In the last two months of 1986, people who would have otherwise waited to make RV purchases rushed to become purchasers to take advantage of the write-off. The state registration agencies were not ready for the extra volume, and some of that volume spilled into January 1987, inflating the monthly total. Thus, in a comparison of retail activity, January 1988 sales appeared to be especially down compared with sales for the previous January simply because the tax change overstated January 1987 retail registrations.

Nationwide, a comparison of motorhome retail registrations for January 1988 with those for the same month in 1987 revealed that motorhomes dropped by 11.45% this year. Motorhome retail figures included Class A's, Class A widebodies, conventional Class C's, and Class C micro-minis.

JANUARY MOTORHOME SALES BY REGION

Region	Percent change from Jan. 1987
East North Central	−18.5%
Mountain	0
Northeast	− 6.7%
Pacific	−27.5%
South Atlantic	0
South Central	12.5%
West North Central	−14.8%

Figure 1

JANUARY RV-TRAILER SALES BY REGION

Region	Percent change from Jan. 1987
East North Central	− 3.3%
Mountain	18.9%
Northeast	30.5%
Pacific	−41.4%
South Atlantic	−26.9%
South Central	−14.6%
West North Central	−20.6%

Figure 2

On a regional basis, motorhome sales for January dropped the most in the Pacific region compared with last January (a 27.5% decline). Motorhome retail figures increased only in the South Central states, with a 12.5% increase over 1987. *(See Figure 1.)*

RV-trailer sales nationwide were 12.5% lower in the first month of this year than in the same period of 1987. The RV-trailer category included figures for conventional travel trailers, fold-downs, fifth-wheels and park models.

Regionally, the Pacific region again recorded the biggest January decline for RV-trailer registrations, a 41.4% drop. However, the Mountain and Northeast regions, experienced increases of 18.9% and 30.5%, respectively, over the previous January. *(See Figure 2.)*

As you can see from Figures 1 and 2, some regions experienced some dramatic shifts in their retail markets in January compared with 1987. But, remember, one month does not make a year, especially an atypical month such as January. Δ